

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2086

2005 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2036

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2086

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-10-05

Tape Number	Side A	Side B	Meter #
1	xxxx		5350-end
1		xxxx	0-1460
Committee Clerk Signature <i>Lisa Van Berken</i>			

Minutes: **Chairman Mutch** opened the hearing on SB 2086. All Senators were present.

SB 2086 relates to charging of fees for services; and to provide continuing appropriation.

Korrine Lang, Strategic Planning of Job Service of North Dakota, introduced the bill.

See attached testimony.

Senator Krebsbach: On the fiscal note there is no predicted revenues on this. Is there none?

Korrine: It is difficult to explain those because we don't have a historical basis for that. It is a continuing appropriation.

Senator Klein : Are you invited to come to a job fair? And you provide a booth?

Korrine: In some cases we like to host the job fair and to be able to provide that service, we would charge them.

Senator Klein : So you would charge them and work with them to find employees, which is already your job, so how do we justify this?

Korrine: We have declining public resources, grants have been declining and service demand is increasing.

Senator Mutch: What services now are you being requested to provide?

Korrine: We have a large array of services. The services that we are asking for fees for is proficiency testing and re-employment account.

Senator Klein : Then you would look at the going rate, or how do you determine what you are going to be charging?

Korrine: Those fees have not been established. We would look at them based on what our cost is.

Senator Heitkamp: You aren't going to be offering additional or new services, you are just going to be charging for it?

Korrine: One option under this bill is to buy the services with a \$3000 account from the government to spend as they choose to become re-employed. Then whatever is left, they get back.

Senator Heitkamp: How does a guy without a job pay for these services?

Korrine: They have a \$3000 account from the government.

Marin Daily, Job Service North Dakota, Executive Director. Our focus would not be charging individuals for their skills testing services. The testing fee comes into play when we have large employers that come into the state and we have not budgeted for that, it's a huge benefit to attract them in. We just want to cover our cost. Right now, we don't have enough money to fund the costs for job fairs.

Senator Heitkamp : I thought of that. It's in your best interest to get people to work.

Page 3

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2086

Hearing Date 1-10-05

Senator Nething: Lines 10 and 12 say "individual". Why do you want that in there if you are not going to do anything with the individual?

Marin: The individual comes into play with the personal re-employment account.

Senator Klein suggest amendments. The intern is instructed to draft amendments and the bill will be discussed further after the amendments are put in place.

Hearing was closed. No Action Taken. Amendments pending.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2086

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-18-05

Tape Number	Side A	Side B	Meter #
no tape			
3	x		0-370
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: **Chairman Mutch** opened committee discussion on SB 2134. All Senators were present. SB 2086 relates to charging of fees for services, and to provide continuing appropriation, at the request of Job Service of North Dakota.

Senator Klein moved a DO PASS. **Senator Krebsbach** seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Klein

FISCAL NOTE
Requested by Legislative Council
12/20/2004

Bill/Resolution No.: SB 2086

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The legislation retains the continuing appropriation status for all revenues and expenditures related to the specified services. Because of this status, there is no fiscal effect to be estimated.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Don Bitz	Agency:	Job Service
Phone Number:	701-328-3105	Date	12/23/2004
		Prepared:	

PROPOSED AMENDMENTS TO SENATE BILL NO. 2086

Page 1, line 9, after the first comma insert: "and"; remove ", and personal reemployment account services"; and remove "or"

Page 1, line 10, remove "individual"; after the word "services" insert: "and personal reemployment account services to an individual requesting these services"

Page 1, line 12, remove "or individuals"

Page 1, line 13, after the first comma insert: "and"; after the second word "services" remove "," and after the word "and" insert: "to individuals for providing"

Renumber accordingly.

Date: 1-18-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2086

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 2086

Action Taken Do Pass - Adopt Amendments

Motion Made By Klein Seconded By Espegard

Senators	Yes	No	Senators	Yes	No
Senator Mutch, Chairman	X		Senator Fairfield		X
Senator Klein, Vice Chairman	X		Senator Heitkamp	X	
Senator Krebsbach	X				
Senator Nething	X				
Senator Espegard	X				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Klein

If the vote is on an amendment, briefly indicate intent:

Date: Jan 18
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2086

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 2086 52-08-13

Action Taken Do Pass As Amended

Motion Made By Klein Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch, Chairman	X		Senator Fairfield	X	
Senator Klein, Vice Chairman	X		Senator Heitkamp	X	
Senator Krebsbach	X				
Senator Nething	X				
Senator Espegard	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Klein

If the vote is on an amendment, briefly indicate intent:

job service providing job task analysis services, testing services, job fair services to an employer

REPORT OF STANDING COMMITTEE

SB 2086: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2086 was placed on the Sixth order on the calendar.

Page 1, line 9, after the first underscored comma insert "and", remove ", and personal reemployment account services", and remove "or"

Page 1, line 10, remove "individual" and after "services" insert "and may provide personal reemployment account services to an individual requesting those services"

Page 1, line 12, overstrike "to employers" and remove "or individuals"

Renumber accordingly

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2086

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2086

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-23-05

Tape Number	Side A	Side B	Meter #
1	x		10.5-26.1
Committee Clerk Signature <i>Jody Runkle</i>			

Minutes:

Chairman Keiser: Opened the hearing on SB 2086. All committee members were present.

Korrine Lang, Job Service North Dakota: Appeared in support of bill and provided a written statement (SEE ATTACHED TESTIMONY). We believe that diversifying and expanding researches is an acceptable way to enhance our array of services through Job Service North Dakota. Primary motivation is not to make a profit but to serve customers that would otherwise may not be served, to serve customers in ways that would not be possible otherwise, to stretch our limited funds to serve more customers and to sustain service in the face of declining dollars. In recent years many workforce development organizations have sought to diversify their sources of income and there are many different reasons for doing this ranging from, the declining public resources, to new interests or to focus on

particular customers and our committee organizations have pursued and received additional grant incomes. Successful fees for service providers have all built good reputations that perform in the traditional climate and training activities so that the potential fee for service customers trust them to provide these new fee for service, there have been no objections reported by auditors or government Grant towards about fee for service activity however there is separate financial accounting of revenues and expenses for fee for service activity. The planned services that Job Services North Dakota wishes to add under this bill includes testing services and job fair services for employers, and personal account service training for individuals.

Representative Thorpe: I MOVE a DO PASS on SB 2086.

Representative Dosch: SECOND the DO PASS motion.

VOTE: 14-YES 0-NO 0-Absent.

Representative Dosch will carry the bill on the floor.

Hearing adjourned.

Roll Call Vote #: _____ Date: 2-23-05

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2086

House INDUSTRY, BUSINESS AND LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Thorpe Seconded By Rep. Dosch

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman	X	
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	X		Rep. M. Ekstrom	X	
Rep. D. Dietrich	X		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	X				
Rep. D. Ruby	X				
Rep. D. Vigesaa	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Dosch

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 23, 2005 3:27 p.m.

Module No: HR-33-3529
Carrier: Dosch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2086, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2086 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

SB 2036

Senate Bill No. 2086

Testimony of Korrine Lang
Strategic Planning
Job Service North Dakota

Before the Senate Industry, Business, and Labor Committee
Senator Duane Mutch, Chairperson

Chairman Mutch: My name is Korrine Lang, and I am representing Job Service North Dakota. Job Service caused Senate Bill No. 2086 to be introduced as we believe diversifying and expanding resources through fee based services is an acceptable and practical way to enhance the array of services offered through Job Service North Dakota. The primary motivation is not to make a profit, but to:

- Serve customers that otherwise may not be served;
- Serve customers in ways that would not be possible otherwise;
- Stretch our limited funds to serve more customers; and
- Sustain service levels in the face of declining public dollars.

In recent years, many workforce development organizations have sought to diversify their sources of income. There are many different reasons for this, ranging from declining public resources, to new interests, to a focus on

particular customers. Many organizations have pursued and received additional grant income, such as discretionary grants, or grants and contracts from other agencies. In addition, some organizations have begun to charge fees, for specialized or enhanced services, directly to customers--mostly to employers, but occasionally to jobseekers as well.

The concept of charging fees for services emerged simultaneously in several different places across the country as a logical outgrowth of the development of local workforce programs. The Hampden County, Massachusetts, Regional Employment Board (REB) has conducted research into fee-for-service under a system-building grant from the U.S. Department of Labor. The research mainly consisted of a nationwide survey and several detailed case studies of organizations that have successfully implemented fee-for-service activity.

In the course of their research into fee-for-service, the REB interviewed more than 100 workforce development professionals and local workforce board members known to be offering any type of service for a fee. They conducted a formal survey to which individuals from 224 different workforce organizations responded. From these activities, they summarize:

- The clear trend in fee-for-service is to charge employers for specialized or enhanced services. Many fewer organizations charge fees to jobseekers.
- Retail fee-for-service, though significant in principle, usually accounts for a very small portion (3%-5%) of total revenue.
- Fee-for-service activity results both from opportunities and planned strategies.
- There is widespread (93%) acceptance of the concept of fee-for-service. While actual fee-for-service activity is modest, the idea is accepted that workforce development organizations should charge fees for some of the services provided to employers and jobseekers.
- Successful fee-for-service providers have all built good reputations at performing traditional employment and training activities so that potential fee-for-service customers trust them to provide new services.
- There have been no objections reported by auditors or government grantors about fee-for-service activity. However, there is separate financial accounting of revenues and expenses for fee-for-service activities.

- There are few or no objections from possible competitors - other profit or non-profit providers of similar services in the local area. In every case, however, the local workforce board is careful in deciding which services to offer for a fee, and usually considers the competition, and its possible reactions.

The planned strategies that Job Service North Dakota wishes to add with fee-for-service include testing services, job fair services and personal reemployment account services. Let me first address the personal reemployment account services.

On January 4, 2005, Congressional Republicans re-introduced the Worker Reemployment Accounts Act (H.R. 26), nearly identical to a bill passed by the House last year and similar to a pilot proposal offered by President Bush, to create personal reemployment accounts of up to \$3,000 to help unemployed Americans purchase job training and other key services as they strive to return to work. The bill allows eligible individuals to use the \$3,000 reemployment accounts to purchase job training and key services, such as employment counseling, case management, childcare, transportation services, and housing assistance. It also allows recipients to keep the balance

of the account as a cash reemployment bonus if they become reemployed within 13 weeks. Recipients may use funds to purchase services through the One Stop Career Center system on a fee-for services basis or through other providers. The stand-alone proposal is also included in the Job Training Improvement Act (H.R. 27), the comprehensive bill to strengthen America's job training system and reauthorize the Workforce Investment Act (WIA) that was also introduced on January 4, 2005. Senate Bill No. 2086 would allow Job Service North Dakota to be prepared to implement personal employment accounts if the federal legislation is passed and implemented.

Job Service North Dakota would also like to add testing services and job fair services as fee-based services. Job fair fees charged to employers would cover facility charges, promotion, materials and other out-of-pocket expenses associated with holding a job fair. Testing services can help businesses find workers with the right skills or can be used to gauge the skill levels of current employees and find where improvement is needed. Due to the increasing demand and cost for testing services, Job Service's capacity to offer testing services will be limited without the ability to offset costs via a fee-based service.

It is important to note that Job Service North Dakota will continue to offer comprehensive, no-fee workforce services and information to employers, employees and job seekers at our jobsnd.com web site and offices throughout the state.

In summary, Mr. Chairman, Job Service urges a "do pass" recommendation on this bill.

Mr. Chairman, I would be happy to answer the Committee's questions.

**52-08-13. Job task analysis services – Testing services – Job fair services -
Personal reemployment account services - Authorization to charge fees –
Continuing appropriation.** Job service North Dakota may provide job task analysis services, testing services, and job fair services to an employer requesting these services and personal reemployment account services to an individual requesting these services. Notwithstanding the reference to free public employment offices in this chapter or in any other provision of law, job service North Dakota may charge reasonable fees to employers for providing job task analysis services, testing services, and job fair services and to individuals for providing personal reemployment account services. All fees collected under this section must be deposited in a separate interest-bearing account at the Bank of North Dakota and must be used for the purpose of providing job task analysis services, testing services, job fair services, and personal reemployment account services. Moneys in this fund are appropriated on a continuing basis for the purpose of providing job task analysis services, testing services, job fair services, and personal reemployment account services.

Engrossed Senate Bill No. 2086

Testimony of Korrine Lang
Strategic Planning Director
Job Service North Dakota
February 23, 2005

Before the House Industry, Business, and Labor Committee
Representative George Keiser, Chairperson

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ranging from declining public resources, to new interests, to a focus on particular customers. Many organizations have pursued and received additional grant income, such as discretionary grants, or grants and contracts from other agencies. In addition, some organizations have begun to charge fees, for specialized or enhanced services, directly to customers.

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- There have been no objections reported by auditors or government grantors about fee-for-service activity. However, there is separate financial accounting of revenues and expenses for fee-for-service activities.
- There are few or no objections from possible competitors - other profit or non-profit providers of similar services in the local area. In every case,

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Due to the increasing demand and cost for testing services, Job Service's capacity to offer testing services will be limited without the ability to offset costs via a fee-based service.

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